

## **HIGH SCHOOL CORE AREA**

### **Economics**

**Standard ECON-6:** The student will demonstrate an understanding of the roles that federal, state, and local governments play in the operation of markets in the United States.

**ECON-6.1** Compare the various functions and roles of the government in the United States economy, including providing public goods, defining and enforcing property rights, correcting externalities and regulating markets, maintaining and promoting competition in the market, protecting consumers' rights, and redistributing income.

**Taxonomy Level** B 2 Understand /Conceptual Knowledge

**Previous/future knowledge:**

In Kindergarten (K-2.3) students identified people in the community and school who enforce the rules that keep people safe, including crossing guards, firefighters, and police officers. In first grade (1-3.3) students also identified ways that government affects the daily lives of individuals and families in the United States, including providing public education, building roads and highways, and promoting personal freedom and opportunity for all. In second grade (2-3.2, 2-3.3) students identified the roles of leaders and officials in local government, including law enforcement and public safety officials and explain the ways that local and state governments contribute to the federal system, including law enforcement and highway construction. In third grade (3-3.4) students outlined the current structure of state government, including the branches of government; the names of the representative bodies; and the role that cities, towns, and counties play in this system. In fifth grade (5-4.3) students explained the immediate and lasting effect on American workers caused by innovations of the New Deal, including the Social Security Act, the Federal Deposit Insurance Corporation, and the Civilian Conservation Corps.

In eighth grade (8-4.1, 8-4.5) students explained the purposes of Reconstruction with attention to the economic, social, political, and geographic problems facing the South and summarize the successes and failures that occurred in South Carolina during Reconstruction. Also in eighth grade (8-6.1, 8-6.2, 8-6.5) students summarized the progressive reform movement in South Carolina; explained the impact of World War I on South Carolina; and explained the effects of the Great Depression and the lasting impact of New Deal programs on South Carolina. Students in eighth grade (8-7.1, 8-7.2, 8-7.4) also summarized the significant aspects of economic growth experienced by South Carolina during and following World War II; provided examples of the expanding role of tourism in South Carolina's economy; and explained the factors that influenced the economic opportunities of African American South Carolinians during the latter twentieth century.

In high school (GS 6.4) students summarized the impact of economic and political interdependence on the world, including efforts to control population growth, economic imbalance and social inequality and efforts to address them, the significance of the world economy for different nations, and the influence of terrorist movements on politics in various

countries. In high school U.S. History (USHC 7.4, USHC 7.5) students explained the causes and effects of the stock market crash of 1929 and the Great Depression, including the disparity in incomes, limited government regulation, stock market speculation, and the collapse of the farm economy; wealth distribution, investment, and taxes; government policies and the Federal Reserve System; and compared the first and second New Deals as responses to the economic bust of the Great Depression. Also in high school (USHC 8.3, USHC 10.2) students summarized the impact of World War II and war mobilization on the home front, including war bond drives, rationing, the role of women and minorities in the workforce and also summarize key economic issues in the United States since the fall of communist states, including recession, the national debt and deficits, legislation affecting organized labor and labor unions, immigration, and increases in economic disparity. In U.S. government (USG 3.2) students explained the organization and responsibilities of local and state governments, including the purposes and functions of state constitutions; reserved and concurrent powers in the states; the relationships among national, state, and local levels of government; and the structure and operation of South Carolina's government.

### **Future Knowledge**

While no future knowledge is required students must have a basic foundation of knowledge concerning the economic role of government. Students should have a basic understanding of how and why the government provides goods and services and moreover, that the provision of these goods and services are not free and require certain sacrifices of all citizens. A basic knowledge of the costs and benefits of public goods provision, as well as other government market intervention, ensures that students will be well-informed citizens and voters.

### **It is essential for students to know**

Students should be able to identify, recognize and define spillover (external) costs and benefits and how government regulates these third party costs and benefits. Students should be able to identify graphical depictions of these externalities. It is essential that students be able to identify examples of U.S. government regulatory intervention to correct negative externalities. They should also be able to define and explain the characteristics of a public good and goods that are collectively consumed. Students should be able to explain why the government is often involved in the provision or regulation of these types of goods and services.

Students should understand the role of government in establishing property rights – both tangible and intangible – (physical property, patents, copyrights) and how the establishment of those rights affect economic behavior. Students should clearly understand the relationship between property rights and private sector behavior and the desire to compete and earn profits. As well, students should have a basic understanding of the role of government in redistributing income through tax policy. Students should be able to define and give examples of regressive and progressive taxation. Students should also be able to define different types of government taxation like income tax, sales tax, and property tax. As well, students should understand the difference between efficiency and equity and moreover, that achieving one does not mean achieving the other.

**It is not essential for students to know**

Students do not need to know specific laws or legal cases related to property rights or taxation theory. Students do not need to understand elasticity of demand or income as it relates to taxation or understand the scope of tax incidence or tax burden as it relates to taxation.

It is not essential that they know specific methods of determining the costs and benefits of public goods provision. They also do not need to understand how to calculate the change in consumer welfare or producer surplus from government provision of goods and services or government regulation.

**Assessment guidelines:**

Appropriate assessment requires students to ***compare*** the various functions and roles of the government in the United States economy; therefore, the primary focus of assessment should be for students to ***explain*** the diverse roles that the government plays in providing goods and services and in regulating economic behavior. However, appropriate assessment should also require students to ***compare*** and ***contrast*** different types of taxation and methods of correcting for negative externalities.